

INTERNATIONAL

DAVE'S WEATHER—PARIS: Mostly sunny, 73-83° (66-84). Tomorrow high chance of showers, 71-82° (67-73). LONDON: Partly cloudy, Temp. 72-85° (62-84). Tomorrow variable cloudiness. Yesterday's temp. 81-87° (74-89). CHANNEL: Slight. ROME: Sunny, 74-89° (72-85). NEW YORK: Sunny, Temp. 72-84° (66-81). Yesterday's temp. 75-89° (74-81). ADDITIONAL WEATHER—PAGE 2

Herald Tribune

Published with The New York Times and The Washington Post

27,195

PARIS, TUESDAY, JUNE 23, 1970

Established 1887

I.S. Trying Anew to Start Mideast Peace Meetings

By A. D. Horne

ASHINGTON, June 22 (UPI)—The United States has begun a effort to launch Middle East peace negotiations while it holds off a appeal for 125 more warplanes.

President Nixon's decision on the planes is to be announced at a conference this week by Secretary of State William P. Rogers, expected to include a new negotiating initiative aimed at getting

and Israel to begin talks through an intermediary, United Nations

Gunner V. Jarring. In advance of the announcement, Mr. Rogers

began to lay the groundwork for the new effort in meetings with the Soviet and Israeli ambassadors here.

Saturday's meeting with Soviet Ambassador Anatoly F. Dobrynin was announced by the State Department. Friday's with Israeli Ambassador Yitzhak Rabin was not. Assistant Secretary of State Joseph J. Sisco, the chief U.S. negotiator on the Middle East, took part in both sessions.

Temporary Cease-Fire Barred by Mrs. Meir

No Time Limit
Any Cease-Fire

By Charles Mohr

TEL AVIV, June 22 (UPI)—Premier Golda Meir rejected a recent suggestion by a temporary cease-fire for the Middle East, and warned Russian pilots flew combat near the Suez Canal, Israel would have "no alternative."

Meir also reiterated Israel's no direct negotiations with its Arab neighbors and said new borders "cannot be all" with the borders that before the six-day war in 1967.

remarks, before about 500 members of them Americans the World Council of Syria took a special significance to the United States is to outline a new Middle East initiative later this which may again urge Israel to concessions.

Hard Tone
None of Mrs. Meir's speech seemed to indicate that her next would strenuously going so.

Meir said, "We refuse to be to the loser as to we must accept without and without peace."

said Israel had been asked and over what will happenian pilots now stationed in "come closer to the canal

can't run," she said. "Any who stands in the way of defense, we won't run away from us—no matter who he is."

that Egypt had recently a temporary cease-fire cl would return to its 1967

Mrs. Meir said, "We are spared to accept something is not a cease-fire as a ceas-

restitution of the 1967

she said, should be time limit and without ons.

only result of a limited he, she said, would be to

resident Gamal Abdel Nas-

Egypt "to prepare better

is now to fight us."

out directly mentioning the U.S. peace initiative. Mrs. indicated her country's con-

opposition to a settlement by the great powers.

want to negotiate directly or neighbors because it was

we fought and with

we must live," she said. "If

it's still down in a room with

they can live with us?"

Dudman—I: Captured in Cambodia

How Guerrillas Treated Their Prisoners

By Richard Dudman

Washington Correspondent of St. Louis Post Dispatch

Copyright 1970

2 rice paddies stretched emptily on both sides of the countryside was deserted. We were frighteningly

friendly a Vietnamese in a shirt and carrying a home-made automatic rifle from behind a big tree-topped our car and screamed, hands up.

"Don't shoot," called Mike.

are journalists."

it was the beginning of 0 days with the guerrillas, rare prisoners in Cambodia. was the start of an extra-

ordinary experience, unique to

the new war that Ameri-

cans fighting in Cambodia. Of

correspondents who have

captured there by the

we three are the only held for any length of

who have been released.

nearly six weeks of hiding

angle and paddlyland there times of terror when we were at stake. There also

Richard Dudman

Richard Dudman

traveled with them on foot, by bicycle and occasionally by truck from one village to another.

Being the first to be released, we feel an obligation to the 20 other correspondents still missing. Although we made no deals for our release, we decided to withhold the few details, such as the exact place of our release, for fear of jeopardizing our colleagues.

Our captors suspected us of being spies for the Central Intelligence Agency and we are determined to avoid doing anything that would feed their suspicions of other correspondents they have captured.

It was May 7 when it all started. Just a week earlier, President Nixon had opened a new dimension of the war in Southeast Asia by announcing that American and South Vietnamese troops were invading Cambodia.

At noon, Elizabeth Pond of The Christian Science Monitor, Michael Morrow of Dispatch News Service International and (Continued on Page 5, Col. 1)

We saw a well-organized movement of Cambodian and Vietnamese guerrillas in a determined war against America.

gradually learned about their hatred of America, their tactics, their relationship with the Cambodian peasants and what kind of people they are as we

spilled over from the war in Vietnam.

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gradually learned about their hatred of America, their tactics, their relationship with the Cambodian peasants and what kind of people they are as we

Because of a severe cash squeeze and having been unable to acquire from any source additional working capital, Penn Central Transportation Co. today filed a petition for reorganization.

Judge C. William Kraft Jr. accepted the bankruptcy petition late Sunday at his home, and signed an

Nixon Signs Bill Giving Vote to 18-Year-Olds

But Fears It's Contrary to Constitution

By Carroll Kilpatrick

WASHINGTON, June 22 (UPI)—President Nixon today signed the bill extending the Voting Rights Law for five years and lowering the voting age to 18 in all federal, state and local elections.

The President signed the double-barreled measure, strongly supported by civil-rights forces, although he maintained that the 18-year-old-vote section is unconstitutional. He directed the attorney general to seek a swift court test of its constitutionality.

"Despite my misgivings about the constitutionality of this one provision, I have today signed the bill," Mr. Nixon said in a statement.

"If I were to veto, I would have to veto the entire bill—voting rights and all."

The Voting Rights Act of 1965, under which nearly a million blacks have been registered to vote in Southern states, would have expired this summer.

Even if the Supreme Court rules that the 18-year-old-vote section is unconstitutional, the voting-rights parts, which are extended to 1975, would not be affected.

"Because the basic provisions of this act are of great importance, therefore, I am giving it my approval and leaving the decision on the disputed provision to what I hope will be a swift resolution by the courts," the President said.

Starts Next Year

The 18-year-old-vote section would not affect this year's state and congressional elections, since the act provides that it becomes effective after next Jan. 1.

Mr. Nixon long has favored the vote for 18-year-olds, but he has argued that the change could be brought about only by constitutional amendment.

He called on Congress today to go ahead and submit a constitutional amendment so that if the Supreme Court declares the legislation unconstitutional there will be no serious delay in granting the vote to 18-year-olds.

A White House official said Attorney General John N. Mitchell, a governor or a citizen could seek a constitutional test. The suit might be directly to the Supreme Court or by way of a special three-judge federal court with direct appeal to the high court.

The White House official pre- (Continued on Page 3, Col. 6)



Associated Press
THIS WAS HOME—A South Vietnamese woman searches through the rubble of her home for personal possessions following a Viet Cong attack on the village of Da Nang, near Da Nang. More than 100 persons were killed and 70 wounded in the raid.

Tentative Vote for Repeal, 67-15

Senate Against Tonkin Resolution

WASHINGTON, June 22 (UPI)—The Senate tentatively voted to repeal the 1964 Gulf of Tonkin resolution, which gave the President unlimited authority to fight the war in Vietnam.

The vote came in the sixth week of the Senate's debate over the Cooper-Church amendment to cut

off funds for U.S. military action in Cambodia after June 30 and forbid any action there after that date.

Three hours earlier the Senate, in a 79-to-5 roll-call vote, had

(Continued on Page 2, Col. 8)

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Case Involving \$5-Million Claim

6 Capitol Hill Names Figure In a Probe of Alleged Fraud

By Robert M. Smith

WASHINGTON, June 22 (UPI)—Reliable sources have supplied more information about the report made by a Baltimore grand jury that investigated alleged attempts by a contractor to defraud the government.

The report is said to have mentioned six present and former members of Congress as figures in the case.

The contractor, Victor H. Frenkil, was reportedly accused by the grand jury of trying to exert pressure on employees in the Office of the Architect of the Capitol to settle a \$5-million claim.

The grand jury, it was reported, found evidence that six Democrats—Sen. Russell B. Long of Louisiana, former Sen. Daniel B. Brewster of Maryland, Rep. Hale Boggs of Louisiana, Speaker John W. McCormack of Massachusetts and Reps. Samuel N. Friedman and Clarence D. Long, both of Maryland—figured in varying degrees of prominence in the case.

Judge Roszel C. Thomsen of the U.S. District Court in Baltimore on Saturday signed an order requiring The New York Times to show in his Federal Court next Thursday why "it should not be restrained from disclosing or publishing the contents" of the report, which is called a presentation. The order was delivered to the Washington Bureau of The Times.

Effect Doubtful

Attorneys for The Times are studying the order. But James C. Goodale, the general counsel of The Times, said it was extremely doubtful that any order of any court could be valid if it had the effect of restraining publication of news article.

Today's article in The Times reported that the grand jury's recent had alleged that Mr. Frenkil had tried to use threats and political influence to win approval of his claim against the government.

The article said that Attorney General John N. Mitchell had ordered Stephen H. Sachs, the U.S. attorney in Baltimore, to use the names of the congressmen in my case against Mr. Frenkil. Mr. Mitchell reportedly believed that because the public figures were not indicted, their reputations could be damaged unjustly if they were brought into the case.

The grand jury, unable to bring a indictment because of Mr. Mitchell's restrictions, turned in the

presentment to Judge Thomsen in a sealed envelope.

The presentation resulted from a year-long investigation by the grand jury, which was looking into the activities of Mr. Frenkil, president of Baltimore Contractors Inc., the construction company that built the parking garage for the Rayburn House Office Building here.

While building the garage, under an \$11.7-million contract, Mr. Frenkil decided that he had come up against unforeseen problems and should be awarded \$5 million more than the contract provided.

He presented this claim to the Office of the Architect of the Capitol, which had jurisdiction over the construction.

\$25,000 Offers Reported

It was also reported in The Times article today that the grand jury had determined that Sen. Long and former Sen. Brewster had been offered bribes of up to \$25,000 each to help get the claim settled in Mr. Frenkil's favor. There was no evidence that they had accepted the offer or received any payment.

Neither Sen. Long nor Mr. Brewster could be reached for comment.

Further details from the government investigation concerned Reps. Boggs and McCormack, the House's majority whip and outgoing speaker, respectively.

According to reliable sources, the investigation found that Baltimore Contractors remodeled Rep. Boggs' home in Bethesda, Md., between late 1965 and late 1966 at an out-of-pocket cost to the company of \$45,000. Rep. Boggs was reportedly charged from \$20,000 to \$25,000.

The sources said that the inquiry had turned up information that Mr. Frenkil had told one of his employees that the work on Rep. Boggs' house would come in handy and that Rep. Boggs would be helpful in settling the claim.

According to the investigation, sometime in 1968—more than a year after work on his house was completed—Rep. Boggs began to urge employees of the Capitol architect's office to review Mr. Frenkil's claim. There were said to have been several meetings—some formal, some informal, and one that Rep. Boggs presided over—at which the Louisiana representative urged a speedy review of the claim.

Rep. Boggs said in a telephone interview that he had "paid Baltimore Contractors in full, completely, so far as I know," for the remodeling of his home.

He said any report that he had advised employees of the Capitol architect's office to review Mr. Frenkil's claim was "absolutely untrue."

According to the sources, the investigation learned of one occasion when Speaker McCormack, then Rep. Voloshen, a New York lobbyist and lawyer who was close to Rep. McCormack—and an employee of the architect's office—had advised employees to read Mr. Frenkil's claim was "absolutely untrue."

Rep. Voloshen is said to have been

the employee for not cooperating on the claims issue. Speaker McCormack, who sometimes appears to have a hearing problem, reportedly went right on eating.

[Mr. Voloshen, 71, pleaded guilty in New York June 17 to Federal Court charges that he conspired to peddle his influence with Speaker McCormack; and then lied to a grand jury about it. That case, in which former McCormack aide Martin Swig still faces trial, involved alleged favored treatment for an imprisoned Mafia figure and asserted stock manipulation by a hotel firm. Mr. Voloshen will be sentenced Sept. 17.]

Other information has also come to light concerning the internal workings of the Justice Department in regard to the Frenkil case.

Reliable sources said that lawyers representing Mr. Frenkil and Baltimore Contractors had attended meetings, at the invitation of the Justice Department, with W.H. Wilson, assistant attorney general in charge of the Criminal Division; his deputy, Henry E. Petersen, and Baltimore U.S. Attorney Sachs.

The sources said the lawyers and the government officials had discussed whether Mr. Frenkil and the contracting company should be indicted and, if they were not indicted, how they should be mentioned in any indictment that was issued.

In occupant of the house, an 82-year-old white woman, was taken protective custody by the police after about 200 blacks gathered in the area.

Blacks fought among themselves for a time, and police and men attempting to move into area were pelted with bricks and debris.

Nine persons were arrested on orderly-conducted charges. Six were treated for minor injuries at a nearby hospital.

J. Hughes to Rutgers

NEW YORK, June 22 (AP)—Journalist John Hughes, who was formerly chief correspondent for Time, Life and Fortune magazines, is joining the faculty of Rutgers University, New Jersey in September as a professor of political science.

MICHEL SWISS

PERFUMES - GLOVES

BAGS - TIRES - GIFTS

SPECIAL EXPORT DISCOUNT

PARIS de PARIS - PARIS

This card valid

RELIABLE SOURCE

Journalist's Story of Capture

(Continued from Page 1)
I set out from Saigon to see how far the invasion had penetrated.

Driving down Route 1, the main highway from Saigon to Phnom Penh, we were waved on at a checkpoint by friendly Cambodian forces. The sentry gave us no warning, but suddenly about a mile west of Sway Rieng, in the Parrot's Beak area of Cambodia, we realized we were alone. The rice fields were deserted. No peasant trudged along the highway. No dog barked. Not a chicken squawked.

When we reached a blown-up bridge with no warning sign, we knew the worse. We had unwittingly entered the no-man's land between allied forces and the guerrilla troops supporting Norodom Sihanouk, the ousted Cambodian head of state.

Swiftly we turned our International Scout and headed back along the deserted road toward Sway Rieng. We had gone only 100 yards or so when the Vietnamese with their automatic rifles stopped us. In a moment, a Cambodian joined them.

With rifles trained on us they ordered us to empty our pockets on the pavement and then motioned to us to start walking. Hands raised, we clambered down a collapsed bridge span and up the rubble on the other side.

The sudden thrash of a helicopter engine alarmed our captors. "Di, di di!" (hurry, hurry, hurry), they ordered us to run. There was no cover except an occasional tree. Some of the trees had been felled across the highway, as makeshift roadblocks. When Elisabeth lagged behind, a man on a bicycle who had joined us gave her a lift, after running about two miles, we were led down a side path.

(Editor's note: Mr. Budman, aged 52, was an intrepid jogger until only a few years ago. He still walks about three miles a day in Washington, which, he believes, is an important factor in his being able to run when forced to by his captors.)

First Questioning

In a thatched-roof hut, Mike and I had to take off our pants and shoes. They were returned to us after a thorough search and we were given a cup of tea. Our first interrogation began few minutes later in another hut. A young man wearing a pistol did the questioning. Mike explained, in Vietnamese, that he was international journalist. He said that he and Beth were Canadians and I an American. An older man with one eye, who had been listening attentively, took over the questioning.

He accused us of being CIA agents. It was the first of many such accusations which would be made against us in the next few weeks.

A young man who spoke French arrived and took what sounded like a leader tone. He said he was Cambodian student from Phnom Penh and was working with the Cambodians and Vietnamese revolutionary forces fighting the Americans and both Vietnamese. He told us we would not be shot in any event. If we were what we said we were, he promised, we would be set free, naturally.

But the friendly tone vanished when a gray-haired crew-cut man with a stern manner arrived. He didn't believe a word of our story. Over and over, Mike told him how we had it out from Saigon that morning to see and report what was happening in Cambodia.

After more questions we were taken from the hamlet on bicycles. We pedaled two or three kilometers and then came to a big, Czech-made truck, camouflaged with tree ranches, it stood at the side of the road in what appeared to be a large village. We were led into the vehicle with four teen Cambodian soldiers. One carried a Chinese AK-47 automatic rifle, another a light machine gun.

Their mood was getting more anguished. The Cambodians talked us intensely but impatiently. We offered a smile; no response. The soldier with the automatic rifle kept it pointed at my chest. When I motioned silently to him to point it to one side, he waved it angrily at me and put the gun to my head.

Quebec Police Seize Six With Dynamite

MONTREAL, June 22 (Reuters) — More than 650 pounds of dynamite was found in two separate cases in what police described as a crackdown on the terrorist group de Libération du Québec, which seeks independence for Quebec, six persons, including a woman,

were arrested last night, police said.

In the first raid, on a chalet in Prevert, Quebec, police seized more than 300 pounds of dynamite. The second raid, on a private home in suburban Laval, netted 350 pounds of explosives.

Police said the cache found in the Prevert chalet indicated that those taken into custody are members of the terrorist FLQ, which has claimed responsibility for bombings in the past 13 months.

They said the FLQ was responsi-

ble for a series of armed robberies in Montreal, including a \$7,000 holdup at the University of Montreal on May 26 this year.

Marcel St. Aubin, head of the Montreal police department, said last night that in addition to the dynamite police seized \$20,000 in cash believed to have been obtained from armed holdups, three sawed-off rifles, revolvers, handcuffs and "material usually used in bomb fabrication" — detonators, clocks, batteries and wires.

The half-burned body of Jean-Pierre Souque was found in a field Saturday night. He left a note saying he could not accept the "moral abdication" of having his hair cut and chose to die rather than accept "the dictatorship of

the people," police said.

Bank Bombed

TRACY, Quebec, June 22 (AP) — "society," police said.

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Bank Bombed

TRACY, Quebec, June 22 (AP) — society," police said.

French Youth Burns
Self Over Haircut.

PARIS, June 22 (Reuters) — A 19-year-old French youth burned himself to death near here after his father forced him to have his long hair cut, police said today.

The half-burned body of Jean-Pierre Souque was found in a field Saturday night. He left a note saying he could not accept the "moral abdication" of having his hair cut and chose to die rather than accept "the dictatorship of

the people," police said.

Power Taken By President In Ecuador

Velasco Annuls Laws,
Arrests Students

QUITO, Ecuador, June 22 (Reuters) — President Jose Maria Velasco Ibarra today assumed dictatorial powers, canceling all previous laws and arresting student leaders.

The steps followed two weeks of student demonstrations and a nationwide controversy over new tax laws.

Armed troops occupied the Supreme Court building and took over universities here and in Guayaquil, the country's biggest city and commercial capital.

President Velasco said student organizations were dominated by Communists and warned "sedition Communists" would be submitted to the full weight of the law.

He dissolved the Supreme Court because of its ruling earlier that his recent tax laws were unconstitutional.

The Supreme Court said President Velasco's tax measures actually represented an emergency budget and therefore infringed the rights of congress to legislate on these matters.

Meanwhile, contingents of troops and police patrolled streets, colleges and universities.

President Velasco said he would respect the results of the elections of June 3 with regard to municipal and provincial elections but would not recognize the elections to some seats in the chamber of deputies, which was due to meet again on Aug. 10.

Mr. Velasco is 77, and it was generally believed that his nephew, Defense Minister Jorge Acosta Velasco, was the architect of the coup. However, all members of the cabinet reportedly approved it, along with the military leaders.

Mr. Velasco was elected to a four-year term in 1968. He had been president four times before but had completed only one of those terms. He returned from exile in 1965 to campaign for his fifth term.

Two weeks ago, the president issued four economic decrees levying new taxes. He learned over the weekend that the Supreme Court was preparing to rule the decrees unconstitutional on the ground that only congress could levy taxes.

The explanation tends to be discounted by informed observers here. The United States, anxious to re-establish foreign defense commitments, has publicly welcomed the kind of military cooperation set forth in today's Franco-Spanish agreement.

The real reason for the timing according to Spanish sources, is that it is intended to bolster the position of Mr. Lopez Bravo, who resigns himself in a difficult situation.

His name, along with those of other ministers, has come up in connection with a financial scandal now under investigation. Al-

Pact on Military Cooperation Is Signed by France and Spain

By Richard Eder

MADRID, June 22 (NYT) — Spain though no charges have been made against him, his political and social prestige has been hurt.

More seriously, perhaps, he has had trouble with his foreign policy.

The current base negotiations with the United States are coming under increasing attack, and it seems certain that Spain will not be able to get sufficient concessions from the United States to satisfy important sectors of the regime, let alone the opposition.

In these circumstances, the conclusion of a successful, if perhaps limited, agreement with France, and its implication that the two nations will draw closer in the future — a prospect pleasing to most Spaniards — could offset some of Mr. Lopez Bravo's difficulties.

Ceylon Recognizes East Germany

COLOMBO, Ceylon, June 22 (AP) — Implementing an election pledge, the leftist government of Mrs. Sirimavo Bandaranaike has formally recognized East Germany, an official communiqué said today.

Letters have been exchanged between Mrs. Bandaranaike as prime minister and Willi Stoph, chairman of East Germany's Council of Ministers.

No reference was made in the communiqué to the question of recognition of North Vietnam, North Korea or the Provisional Revolutionary Government of South Vietnam (Viet Cong).

No did it when diplomatic relations with Israel would be suspended.

The traditional policy speech at the ceremonial opening of parliament June 14 said relations would be suspended till the Jewish state withdrew from lands seized in the June, 1948, war.

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FRANCE/QE2

BUSINESS

Herald Tribune

Published with The New York Times and The Washington Post

PARIS, TUESDAY, JUNE 23, 1970

FINANCE

Penn Central Declares Bankruptcy

(Continued from Page 1)
and Currency Committee and most outspoken opponent of administration plan in an effort to persuade him to change his mind.

Mr. Gorman had to admit, though, that the \$200 million—“to be guaranteed under the Defense Production Act”—would be jeopardized unless Congress did the second part of the administration’s rescue package: a law authorizing the Department of Transportation to take the guarantees and increase its \$750 million in loans to railroads.

desperate was Penn Central’s for cash that the railroad has required a large part of its additional coverage, probably to \$400 to \$500 million.

Treasury Department officials declined to forecast what effect on the economy there would be on the failure of the Penn Central, with assets of \$6.85 billion at the end of 1969.

declaration of bankruptcy falls in the hands of court. According to common sense, the court will soon appoint a receiver to oversee the company’s assets.

disbursements of cash, according to expert government sources, will now have to be approved by the court, which presumably will authorize those payments needed to maintain daily operations such as salaries and the suppliers.

Years to Wait
creditors will have to wait years until the trustees and courts unravel Penn Central’s financials and seek to settle claims on the railroad.

“years would not be unbearable,” one attorney said. A bankruptcy petition, Penn filed only for the centralization company, which operates the railroad. According to government experts, this that many profitable subdivisions of Penn Central will probably able to continue business a court intervention.

over, the stock in these could be sold to meet the creditors, the government said.

Problem Surfaces
gravity of Penn Central’s problems surfaced early this year when the company had a \$100 million bond issue, company never publicly explained why the bond issue was due, but according to reliable sources the reason was simple: it was not prepared to meet the bonds at the advertised 10 percent.

Central was reportedly unable to offer a higher rate—say 10 percent—because such an amount might have panicked investors and bondholders into selling their securities.

compelled the railroad to seek government aid was a com-

pany deficit in railroad operations that offset profits from other non-railroad subsidiaries.

Though the New York Central and the Pennsylvania Railroads unified in February, 1968, to increase their efficiency, the financial viability of the merged carrier steadily deteriorated.

Losses Mount

In 1969, the company lost \$182.3 million, including a one-time write-off of \$120 million. The losses grew in 1970, reaching \$17.2 million for the first quarter against a \$4.6 million profit for the same quarter in 1968.

Railroad operations lost a hefty \$62.7 million in the first quarter of 1970.

Since the union, Penn Central has been plagued by management problems as well as other expenses described as “merger start-up costs.”

In the last annual report, Stuart T. Saunders, now-deposed Penn Central chairman, described a number of additional negative factors.

• Inflation—Wages rose by 7 percent, he said, increasing company costs by \$74 million.

• A delay until Nov. 18 of a 6 percent increase in freight rates.

Mr. Saunders blamed the delay on the railroad industry for its inability... to agree on the level of increase to request...

not but a spokesman said he did not know just how much less.

Soviet Union Boosts Trade With U.S., Developing States

By Harry Schwartz

NEW YORK, June 22 (NYT)—The Soviet Union increased its trade last year with non-Communist countries—especially developing nations—much more rapidly than with other Communist countries.

In line with this sport, Soviet-American trade in 1969 had one of its sharpest rises in years.

Overall, Soviet foreign trade last year—imports plus exports—set a record of almost \$22 billion, nearly 10 percent gain. Trade with developing countries jumped almost 25 percent, to about 2.75 billion, while trade with industrialized capital countries increased almost 15 percent, to about \$4.8 billion.

In line with worsening difficulties between the two countries, Soviet-Chinese trade dropped to a new low of about \$275 million in Soviet exports and \$28 million in imports.

In 1968, the comparable figures were \$58 million in exports and \$36 million in imports, while a decade ago Soviet exports to and imports from China were roughly a billion dollars each.

Cuban Trade
Cuba’s trade with the Soviet Union also declined last year, mainly reflecting the poor Cuban sugar crop. Soviet imports from Cuba declined from \$275 million in 1968 to almost \$230 million last year, while exports remained almost precisely the same at about \$60 million each year.

Very sharp gains in Soviet trade with the United Arab Republic, Iran and Algeria helped spark last year’s rapid increase in Soviet economic relations with developing nations. Total Soviet trade with Egypt rose from about \$365 million in 1968 to more than \$460 million last year. Trade with Iran increased from about \$126 million to more than \$215 million, and trade with Algeria more than doubled, to a total of almost \$120 million last year.

Soviet imports from the United States almost doubled last year, to about \$11 million, while exports rose 40 percent, to \$60 million.

U.K. in First Place
Among industrialized capitalist nations, Britain remained the Soviet Union’s largest trade partner, with exports to Britain at \$420 million, and imports \$340 million.

Japan, the second largest Western trade partner, took about \$350 million of Soviet exports, while shipping about \$260 million worth of Soviet imports.

Italy and West Germany scored almost 25 percent gains.

Italian Imports Surge, Expanding Deficit in Trade

ROME, June 22 (AP)—Italian imports surged 20.1 percent and exports lagged far behind once again in May, according to preliminary data released by customs authorities here.

This led to a “balance of trade” deficit of \$1 billion lire (\$145.6 million) for May against a surplus of 19 billion lire (\$20.4 million) in the same month last year.

Imports in May totaled 786 billion lire, or 3.2 percent up, for exports.

The deficit for the January-May period rose to 462 billion lire, against a deficit of 3 billion lire in 1969.

Imports for the January-May months totalled 3,721 billion lire, up 20.5 percent over 1969. Exports stood at 2,259 billion lire, or 5.7 percent up.

Government statistics also showed that industrial production rose by 4.9 percent in the January-April months as compared with the same period in 1969.

Huels Profits Up 29% for 1969

DUSSELDORF, June 22 (Reuters)—Chemische Werke Huels AG said today its net profit for 1969 increased 29 percent to 75 million marks (\$30.5 million).

Company net turnover in 1969 rose 15 percent to 1,200 million marks (\$327.9 million) from 1,040 million marks.

Farbenfabriken Bayer AG and Eihenrein Veba-Chemie each own a 25 percent interest in Huels and between them control over 70 percent of Chemie-Verwaltungs-AG, which owns the remaining 50 percent of Huels.

Prime Rate in Canada

MONTREAL, June 22 (Reuters)—Canadian commercial banks announced today they would reduce the prime lending rate to 8 percent from 8.5 percent, effective July 1. The move follows the lead of the Bank of Montreal on June 15.

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Published with The New York Times and The Washington Post

INTERNATIONAL

Herald Tribune

PARIS, TUESDAY, JUNE 23, 1970

Penn Central Most Active Issue**N.Y. Losses Moderate, Despite Rail Crisis**

By Vartanig G. Vartan

NEW YORK, June 22 (NYT)—

The trade that Wall Street had

been watching for today—the open-

ing in Penn Central common stock

took place at the final bell on

the New York Stock Exchange and

it was a whopper. Penn’s stock

plunged by 4 5/8 to 6 1/3 on a

mammoth transaction of 450,000

shares. Two years ago, this issue

sold at a peak price of 86 1/2.

From the moment that trading

began on the NYSE at 10 a.m., the

Penn bankruptcy news cast a pall

upon the general market. The

Dow Jones industrial average was

down more than 8 points in the

first hour and the transportation

average, covering 20 railroad, air-

line and trucking issues, also show-

ed weakness.

As the session wore along on slow

volume, the 30 stocks in the in-

dustries improved somewhat and

Sperry Rand dropped 11.8 to

26 1/8.

The best gainers on the active

roster were University Computing,

up 13 3/8 to 27 3/4, and Du Pont,

up 1 1/4 to 121 1/2 after equaling

its 1970 high at 121 1/2.

Most Financial Markets Weather Rail News Calmly

NEW YORK, June 22 (NYT)—

Most financial markets weathered

the shock of the Penn Central bank-

ruptcy with little difficulty today.

As might have been expected,

the securities of Penn Central it-

self were down sharply.

But elsewhere, the severe market

disturbance that many experienced

financial observers had feared did

not materialize.

The short-term money market

was in comfortable condition all

day long, with federal funds held

in a narrow range between

7 1/2 and 7 3/4 percent, on the low

side compared to recent experience.

Treasury bills gained in price and

fell in yield.

But the outstanding performance

was in the commercial paper mar-

ket, the huge amorphous pool of

funds where major corporations

have borrowed almost \$40 billion—

solely on the strength of short-

term unsecured promissory notes.

Despite widespread fears of a crisis

of confidence, there was scarcely

a ripple.

Penn Central has about \$87 mil-

lion in commercial paper outstand-

ing (down from \$153.1 million on

May 8) that falls due between now

and Dec. 16.

Railroad Ills Draw Fire In Congress**Pair of Investigations Set by Democrats**

By Robert J. Samuelson

WASHINGTON, June 22 (WP)—

Two congressional committees today prepared to investigate the bankruptcy of the Penn Central railroad—the nation’s largest—and the administration’s abortive rescue operation to keep the company solvent.

The investigations were announced by Rep. Wright Patman, D., Texas, chairman of the House Banking and Currency Committee, and Sen. Vance Hartke, D., Ind., chairman of the Senate subcommittee on surface transportation.

The outcome of the committee’s work could determine the fate of the administration’s proposal to have the Department of Transportation guarantee up to \$750 million in private loans to railroads.

Strong Reservations

Though neither Sen. Hartke nor Rep. Patman opposed the legislation outright, they indicated strong reservations.

“If the United States government intends to bail out a failing company, it must demand at the very least that this company is indeed serving the public interest,” Sen. Hartke said in a floor speech.

“We are not an open-handed guarantor of private corporate investment schemes.”

Rep. Patman said that without passage of the \$750 million guarantee authority—making new loans to Penn Central possible—the government would almost certainly have lost its initial \$200 million.

His floor statement constituted the most detailed explanation he has yet given for opposing the short-term loan guarantee that the administration proposed.

“If the Penn Central guarantee had been made in the manner suggested, we almost certainly would have seen a lineup of other corporations coming to the federal government for equal treatment and equal handouts,” he said.

Rep. Patman announced that the House Banking Committee he chairs would look into the question of involvement with Penn Central.

This led to a “balance of trade” deficit of \$1 billion lire (\$145.6 million) for May against a surplus of 19 billion lire (\$20.4 million) in the same month last year.

Imports in May totaled 786 billion lire, or 3.2 percent up, for exports.

The deficit for the January-May period rose to 462 billion lire, against a deficit of 3 billion lire in 1969.

While the new instrument opens up a supplementary means of financing for American and possibly European companies, a gloomy mood prevailed today over general dollar financing prospects.

News that the biggest American railroad, rich in assets but squeezed for cash, could not pay \$75 million in notes that came due today set in motion bankers scurrying to see if the carrier has any outstanding European obligations.

As far as could be determined, the road’s only foreign financing was a private placement of notes with Swiss banks.

New York Stock Exchange Trading

— 1970 — Stocks and	Sls.	Net	— 1970 — Stocks and	Sls.	Net
High, Low, Div. in \$	100s. First, High Low Last, Chg/pe	High, Low, Div. in \$	High, Low, Div. in \$	100s. First, High Low Last, Chg/pe	High, Low, Div. in \$
26% 91% Abacus, Jr.	21 1244 1284 1214 1274 - 34		30% 44% All Richfield	3 224 53 53% 52% 524 - 34	
78% 56% Abbott Lab. 1.10	48 6224 6274 6214 6274		75 11% All Rich pf 3	6 68 59 68 59 + 14	
51% 35% ACFC Ind. 2.40	15 4124 4124 4114 42		51 31% AllRich pf2.80	41 4154 4154 4044 4044	
24 15% AcmeCiv. 1.40	38 1515 1514 1414 1414 - 34		24% 11% Atlan Chem	1 117 214 314 204 204 - 34	
26 36 AcmeMkt 2.00	3 374 374 374 37 21 - 34		24% 11% Atlan Corp	42 3 3 234 234 234 - 34	
11% 11% AdmEx 1.14	20 12 12 12 117% 12 - 34		12% 6% ATCO Ind. 0.68	57 54 54 54 54 + 14	
154 84 Ad Millis. 2.0	7 11 11 11 107% 107% - 34		12% 6% Aurora Prod.	3 74 74 74 74 74 - 34	
62 24% Address. 1.40	48 24 24 24 24 24 - 34		12% 6% Automth Ind.	93 53 53 53 53 + 14	
14% 6% Admiral	11 7% 8 7 7 7 7 - 34		12% 6% Avco Cp. 1.20	77 14 14 14 14 14 - 34	
45% 27% Admetall. 1.40	10 39 39 39 38% 38% + 14		12% 6% Avco Cp. 2.20	8 354 354 354 354 - 34	
41 33% Admetall. p2	2 377 377 377 377 377 - 34		12% 6% Avery Pd. 2.0	7 272 272 272 272 - 34	
45% 35% Air Prod. 2.0b	5 814 814 814 814 814 - 34		12% 6% Avery Pd. 2.0	40 51 51 51 51 - 34	
120 102% Air Pd. p4.75	1 110 118 110 118 - 1 - 34		12% 6% Avnet Inc. p2.50	2 3014 3014 3014 3014 - 34	
20% 15% Air Pd. 4.75	22 154 154 154 154 - 34		12% 6% Avnet Inc. p2.50	3 3014 3014 3014 3014 - 34	
114 4 AJ Industries	22 44 44 44 44 - 34		12% 6% AvonPd. 1.18	219 774 79 7614 7824 + 14	
18% 14% Al Gas. 1.10	5 13 13 13 15 15 15 - 34		12% 6% AvonPd. 1.18	21 9 9 8 8 - 34	
27 11% Alaska Inter.	14 12 12 12 11% 11% - 34		12% 6% Aztec Oil. 7.31	17 9 9 8 8 - 34	
42% 25% Alberto-C. 2.0	10 23 23 23 324 324 334% + 14		B		
11 24 Albertans. 3.4	11 824 824 824 824 824 - 34		30% 12% Babcock W. 50	103 1424 1424 1424 1424 - 34	
27% 19 AlcanAlu. 1.20	44 2134 2134 2114 2144 + 14		15% 15% BakrOILT. 65	28 1674 1724 1674 1674 - 34	
23% 13 AlcoStand. 2.4	3 164 164 164 164 - 34		23% 11% Ball GE. 1.82	33 2614 2614 2614 2614 - 34	
25% 16% Alexandra. 3.01	3 18 18 18 1744 1744 - 34		23% 11% Bank P. 1.20	250 5874 5874 5874 5874 - 34	
61% 61% Alcoa C. 1.00	74 74 74 74 74 - 34		23% 11% Bank P. 1.20	7 8 8 8 8 - 34	
30% 20% AlcoaLud. 2.40	8 304 3194 304 304 3194 + 14		23% 11% BancP. 2	29 554 554 554 554 + 14	
45% 34% Allegro pf 3	12 87 87 87 87 - 34		23% 11% Barco Dl. 1.50	30 75 75 75 75 - 34	
22% 17% Allegro Pw. 1.22	26 18% 18% 18% 18% - 34		23% 11% BancP. 2	15 15% 15% 15% 15% - 34	
17% 17% Allegro Pw. 1.22	170 174 174 174 174 - 34		23% 11% BancP. 2	3 2154 2154 2154 2154 - 34	
25% 25% AlliedMnl. 4.0b	22 274 274 274 274 - 34		23% 11% BancP. 2	25 2114 2114 2114 2114 - 34	
11% 11% Allied Pd. 4.8	11 134 134 134 134 - 34		23% 11% BancP. 2	10 15 15 15 15 - 34	
32% 17% AlliedSh. 2.20	92 20 20 20 1914 1914 - 34		23% 11% BancP. 2	15 154 154 154 154 - 34	
14% 5% AllidSup. 1.5p	55 54 54 54 54 - 34		23% 11% BancP. 2	20 154 154 154 154 - 34	
13% 14% Alis Chem	24 1574 1574 1574 1574 - 34		23% 11% BancP. 2	25 154 154 154 154 - 34	
74 50 Alcos. 1.80	49 2424 2424 2424 2424 + 14		23% 11% BancP. 2	30 154 154 154 154 - 34	
26% 9% AMBAC. 5.0	1 2424 2424 2424 2424 + 14		23% 11% BancP. 2	35 154 154 154 154 - 34	
17% 17% AmerEx. 1.20	1 19 19 19 19 - 34		23% 11% BancP. 2	40 154 154 154 154 - 34	
30% 20 Am Hess. 15.2	72 27 27 27 274 + 14		23% 11% BancP. 2	45 154 154 154 154 - 34	
87 48 AmHrFltr. p3.50	21 61 61 61 61 - 34		23% 11% BancP. 2	50 154 154 154 154 - 34	
65 24 AmHrFltr. p3.50	259 4754 4754 4664 4724 - 34		23% 11% BancP. 2	55 154 154 154 154 - 34	
31% 19 Am Alrlns. 8.8	118 2064 2124 2014 2014 - 34		23% 11% BancP. 2	60 154 154 154 154 - 34	
15 81% Am Baker. 1.8	31 18 18 18 105% 105% - 34		23% 11% BancP. 2	65 154 154 154 154 - 34	
37% 29% Am Branda. 2.10	78 374 374 374 36% - 34		23% 11% BancP. 2	70 154 154 154 154 - 34	
39% 19% AmBldst. 1.20	46 23% 23% 22% 23% - 34		23% 11% BancP. 2	75 154 154 154 154 - 34	
45% 34 Am Con. 2.20	117 3684 3694 3744 3685 + 34		23% 11% BancP. 2	80 154 154 154 154 - 34	
24% 23% Acen. Pf. 1.15	11 23% 23% 23% 23% - 34		23% 11% BancP. 2	85 154 154 154 154 - 34	
14% 94% Am Cem. 6.0	12 92% 92% 92% 92% - 34		23% 11% BancP. 2	90 154 154 154 154 - 34	
29% 21% Am Chain. 1.50	3 2464 2464 2464 2464 - 34		23% 11% BancP. 2	95 154 154 154 154 - 34	
27% 17% Am Credit. 9.0	22 25% 25% 25% 25% - 34		23% 11% BancP. 2	100 154 154 154 154 - 34	
27% 21 Am Cyanc. 1.25	182 274 274 274 274 - 34		23% 11% BancP. 2	105 154 154 154 154 - 34	
20% 17% Am Distill. 1	174 18% 18% 18% 18% - 34		23% 11% BancP. 2	110 154 154 154 154 - 34	
31% 19% AmDistil. 2.00	64 2264 2264 2264 2264 - 34		23% 11% BancP. 2	115 154 154 154 154 - 34	
10% 10% Am DualVest	22 7% 7% 6% 6% - 34		23% 11% BancP. 2	120 154 154 154 154 - 34	
13% 11% AdulPf. 8.84	4 1194 1194 1194 1194 - 34		23% 11% BancP. 2	125 154 154 154 154 - 34	
33% 23% AmEIPW. 1.64	24 2424 2424 2424 2424 - 34		23% 11% BancP. 2	130 154 154 154 154 - 34	
15% 15% Am Enku. 1.8	15 27 27 27 27 + 34		23% 11% BancP. 2	135 154 154 154 154 - 34	
52% 52% Am Exp. Ind.	55 96% 96% 96% 96% - 34		23% 11% BancP. 2	140 154 154 154 154 - 34	
66 52 AmExInd. pA6	240 5264 5264 5264 5264 - 34		23% 11% BancP. 2	145 154 154 154 154 - 34	
24% 11% AgenInn. 5.0	64 134% 134% 134% 134% - 34		23% 11% BancP. 2	150 154 154 154 154 - 34	
36% 22% AgnInn. p1.80	20 23% 23% 23% 23% - 34		23% 11% BancP. 2	155 154 154 154 154 - 34	
15% 15% AmHmholz. 2.0	95 59 59 59% 58% - 34		23% 11% BancP. 2	160 154 154 154 154 - 34	
21% 21% Am Home. 1.50	67 874 874 874 874 - 34		23% 11% BancP. 2	165 154 154 154 154 - 34	
10% 70 Am Homs. 2.4	33 2414 2414 2414 2414 - 34		23% 11% BancP. 2	170 154 154 154 154 - 34	
27% 27% Am Hosp. 2.4	123 3414 3414 3414 3414 - 34		23% 11% BancP. 2	175 154 154 154 154 - 34	
17% 8 Am Invstsl. 2.0	18 8% 8% 8% 8% - 34		23% 11% BancP. 2	180 154 154 154 154 - 34	
97% 85% AmIntCbx. 1.40	100 38% 38% 38% 38% - 34		23% 11% BancP. 2	185 154 154 154 154 - 34	
114 6 Am Motors	12 7% 7% 6% 6% - 34		23% 11% BancP. 2	190 154 154 154 154 - 34	
39% 30% AmNatGas. 2.16	51 324 324 324 324 - 34		23% 11% BancP. 2	195 154 154 154 154 - 34	
14% 6 Am Photo. 1.12	9 9 9 9 + 14		23% 11% BancP. 2	200 154 154 154 154 - 34	
99% 43% AmRsDv. 0.64	344 6014 6114 5864 5874 - 34		23% 11% BancP. 2	205 154 154 154 154 - 34	
24% 15% Am Seal. 1	71 1614 1614 1614 1614 - 34		23% 11% BancP. 2	210 154 154 154 154 - 34	
57% 47% AmShip. 5.0	18 1514 1514 1514 1514 - 34		23% 11% BancP. 2	215 154 154 154 154 - 34	
36% 25% AmSmelt. 1.90	100 38% 38% 38% 38% - 34		23% 11% BancP. 2	220 154 154 154 154 - 34	
45% 27% AmSoilAr. 7.0	22 41% 41% 41% 41% - 34		23% 11% BancP. 2	225 154 154 154 154 - 34	
16% 16% AmSoilAr. fm.70	18 38 38 38 38 - 34		23% 11% BancP. 2	230 154 154 154 154 - 34	
26% 26% AmStd. 1	77 34 34 34 334 - 34		23% 11% BancP. 2	235 154 154 154 154 - 34	
102 81 AmStd. p4.75	16 12% 12% 12% 12% - 34		23% 11% BancP. 2	240 154 154 154 154 - 34	
27% 14 Am Steril. 4.0	28 23 23 23 23% + 34		23% 11% BancP. 2	245 154 154 154 154 - 34	
42% 21 AmSty pfA2.65	1 27% 27% 27% 27% - 34		23% 11% BancP. 2	250 154 154 154 154 - 34	
74					

This announcement appears as a matter of record only.

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\$30,000,000

9½% First Mortgage Bonds due December 15, 1995
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Gouldman, Jacobs & Co.

Kidder, Peabody & Co.
Incorporated

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White, Weld & Co. Dean Witter & Co. Credit Lyonnais Corporation

American Stock Exchange Trading

(Continued on next page)

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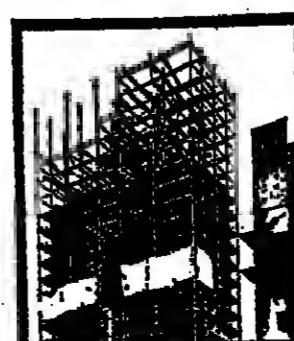
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totaling over two billion dollars.

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1st Briton in 50 Years

Jacklin of U.K. Gains U.S. Open

By Lincoln A. Werden

CHASEA, Minn., June 22 (UPI).—Tony Jacklin won the U.S. Open golf championship yesterday and became the first Englishman to do so in 50 years. "I'm proud to be an Englishman," said the smiling 5-year-old British Open titleholder after sinking a 33-foot birdie putt to wrap up the victory by seven strokes.

A fourth round of 70 over the Hazeltine National Golf Club, which had received much criticism from U.S. professionals, enabled him to peg the lead from start to finish and compile a 72-hole aggregate of 21, or seven under par.

The dark-haired son of a former truck driver thus emulated Ted Ray, who carried back the trophy to England in 1929.

Jacklin, despite his youth, is already an English sports hero. Last n. 18-year drought for English offers. Queen Elizabeth II rewarded him with the Officer of the British Empire honor last February. There are four categories of the honor," explained Jacklin. "The easiest," he added with a smile, "got me below my level."

Admittedly a bit nervous before starting, Jacklin said he took "energy pills" so he could sleep at night. But today, he was wide awake as he witnessed his most ardent challenger, Dave Hill, ho finished second at 288 after one-over-par round of 78.

Jacklin had coped with the 40-an-hour winds of opening day, a wet course that later prevailed and yesterday's sunny 70-degree temperature that made this a journey in contrasts.

Robert Irvin Jones, the architect, had designed the 7,151-yard course that jostled with its critics, and it was Jacklin's golf record in rugged, foggy, rainy English weather that served him well here.

While Bob Charles, the southpaw on New Zealand and Bob Lampert, Public Links champion, finished at 289, Jacklin found his boyhood hero, Arnold Palmer, down the 18th. Palmer had a concluding 71, while Gary Player of South Africa, a pre-tournament favorite, tallied 302 and Jack Nicklaus, one of his who has won all four of the

Heath Lauds Jacklin Victory

LONDON, June 22 (UPI).—Britain's new Prime Minister Edward Heath sent congratulations today to Tony Jacklin, winner of the U.S. Open golf tournament.

A spokesman at the prime minister's official residence, 10 Downing Street, said Heath told Jacklin he had scored a "magnificent victory" for British golf.

Sunday's Line Scores

NATIONAL LEAGUE									
St. Louis	118	618	666	-3	7	1		
Toronto	666	666	666	-7	1			
Atlanta	666	666	666	-7	1			
Cincinnati	666	666	666	-7	1			
Pittsburgh	666	666	666	-7	1			
Baltimore	666	666	666	-7	1			
Chicago	666	666	666	-7	1			
Houston	666	666	666	-7	1			
New York	666	666	666	-7	1			
Philadelphia	666	666	666	-7	1			
Montreal	666	666	666	-7	1			
Seattle	666	666	666	-7	1			
St. Louis	666	666	666	-7	1			
San Francisco	666	666	666	-7	1			
Los Angeles	666	666	666	-7	1			
Atlanta	666	666	666	-7	1			
Cincinnati	666	666	666	-7	1			
Pittsburgh	666	666	666	-7	1			
Baltimore	666	666	666	-7	1			
Chicago	666	666	666	-7	1			
Houston	666	666	666	-7	1			
New York	666	666	666	-7	1			
Philadelphia	666	666	666	-7	1			
Montreal	666	666	666	-7	1			
Seattle	666	666	666	-7	1			
St. Louis	666	666	666	-7	1			
San Francisco	666	666	666	-7	1			
Los Angeles	666	666	666	-7	1			
Atlanta	666	666	666	-7	1			
Cincinnati	666	666	666	-7	1			
Pittsburgh	666	666	666	-7	1			
Baltimore	666	666	666	-7	1			
Chicago	666	666	666	-7	1			
Houston	666	666	666	-7	1			
New York	666	666	666	-7	1			
Philadelphia	666	666	666	-7	1			
Montreal	666	666	666	-7	1			
Seattle	666	666	666	-7	1			
St. Louis	666	666	666	-7	1			
San Francisco	666	666	666	-7	1			
Los Angeles	666	666	666	-7	1			
Atlanta	666	666	666	-7	1			
Cincinnati	666	666	666	-7	1			
Pittsburgh	666	666	666	-7	1			
Baltimore	666	666	666	-7	1			
Chicago	666	666	666	-7	1			
Houston	666	666	666	-7	1			
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Baltimore	666	666	666	-7	1			
Chicago	666	666	666					

